

EXHIBIT "B"

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE MIDDLE DISTRICT OF ALABAMA
3 NORTHERN DIVISION

4 CIVIL ACTION NO.: 2:06-cv-377-WKW

5 PIONEER SERVICES, INC.,

6 Plaintiff,

7 vs.

8 AUTO-OWNERS INSURANCE
9 COMPANY, INC., et al.,

10 Defendants.

Certified Copy

11
12
13 D E P O S I T I O N

14 OF

15 DONALD L. DINSMORE
16 taken on behalf of the Defendant
17 pursuant to a Notice of Taking Deposition

18 DATE: Wednesday, April 11, 2007

19 TIME: 9:35 a.m.

20 PLACE: Scribe Associates, Inc.
21 201 Southeast 2nd Avenue, Suite 207
22 Gainesville, Florida

23 REPORTER: Ingrid T. Cox, RPR
24 Notary Public, State of
25 Florida at Large

26 SCRIBE ASSOCIATES, INC.

GAINESVILLE Ocala LAKE CITY STARKE

1 Q. You've already discussed with Mr. Pearson at
2 length the different terms of the commercial policy of
3 insurance contract?

4 A. Yes, sir.

5 Q. And I would surmise from the lengthy discussions
6 we've had today, are you familiar with the terms of that
7 contract as it pertained to Pioneer Telephone Services,
8 Inc. in 2004?

9 A. Yes. Based -- I would say that I'm familiar with
10 the terms of the contract having reviewed this contract
11 since about 1991 and other contracts of similar since
12 the early '70s and mid '70s. The specific terms that
13 were at issue here are very standardized, very common.

14 Q. And based on the information that you have found
15 in the claims file that was produced on this contents
16 claim, do you have an opinion as to whether the Pioneer
17 Telephone Services, Inc. was entitled to be paid for
18 either portion of the contents claim?

19 A. Based on my review of the claim file, it's -- I
20 think I reported and testified that I believe they were
21 entitled to payment on both portions.

22 Q. And the two portions are the water damage and the
23 electrical damage?

24 A. Well, I call them both all risk areas.

25 Q. Very good.

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GAINESVILLE Ocala LAKE CITY STARKE

1 A. But I do mean, yeah, both those areas.

2 Q. Okay. And I think you hit on this a little bit
3 when Mr. Pearson was asking you about, I think it's
4 paragraph 12 of your report. But based on your review
5 of the claims file and the documents listed in
6 Defendant's Exhibit 2 to your deposition, do you have an
7 opinion as to whether Auto-Owners acted in good faith in
8 its handling of Pioneer Telephone Services, Inc.'s
9 contents claim?

10 MR. PEARSON: Object to form.

11 THE WITNESS: From the perspective of an
12 insurance professional -- I mean, as a claims manager
13 you do review good faith claim handling and
14 controversial claims. As a claims manager I would
15 say no, they did not act in good faith.

16 BY MR. PEARSON:

17 Q. Can you tell or do you have an opinion as to
18 whether Auto-Owners had a legitimate basis to deny any
19 portion of the contents claim that we've covered today?

20 MR. PEARSON: Object to form.

21 THE WITNESS: It's my opinion they did not have a
22 legitimate basis to deny it because of the coverage,
23 the lack of investigation and the coverage question
24 handling.

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GAINESVILLE Ocala LAKE CITY STARKE

1 BY MR. HALL:

2 Q. Do you have an opinion as to whether Auto-Owners
3 subjected this claim to a cognitive review once it had
4 the documents we've talked about today?

5 MR. PEARSON: Object to form.

6 THE WITNESS: As claim manager I would think that
7 -- by cognitive review I would think that you meant
8 knowing, rational review, and that's what I was
9 talking about with the home office response and so
10 forth. And, no, I don't think they did have a
11 cognitive or a rational or knowing review considering
12 all the facts of the coverage question and the policy
13 and the claim.

14 BY MR. HALL:

15 Q. Were there issues or facts that were ignored by
16 Auto-Owners, in your opinion?

17 MR. PEARSON: Object to form.

18 THE WITNESS: Yes, there were, specifically the
19 lightning affidavit, the -- to a degree the loss
20 report itself, the inventory.

21 There's one part that I need to clarify. I know
22 that the inventories were given to the insurance
23 agents. I know that Mr. Reeves picked them up from
24 the insurance agent on a -- like a weekly trip by the
25 insurance agent's office. I don't know when they

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1 actually got to the insurance agent's office. See,
2 that would trigger -- that day would actually trigger
3 the 90 days or the 30 days. So I don't think I've --
4 because I haven't reviewed Mr. Williamson's
5 deposition completely.

6 BY MR. HALL:

7 Q. Are there any other items that were ignored by
8 Auto-Owners, in your opinion, besides the inventories
9 and the proof of loss and the lightning affidavit?

10 A. Well, the insuring agreement, those parts of the
11 policy that I said were mistakenly handled. That's all
12 I can think of.

13 Q. What about Mr. Williamson's position that he was
14 told by the agents that he could throw away the damaged
15 equipment?

16 A. Well, see, Mr. Reeves looked to me like he first
17 learned of that when Mr. Duberry reported. See, it's my
18 understanding that Mr. Duberry is an engineer. I don't
19 know if he's an insurance adjuster. What you're talking
20 about is investigation of, part of investigation of an
21 insurance claim and interpretation matter. So that's
22 why I didn't think that Auto-Owners and Reeves could
23 rely on what Duberry said because that's -- he's not an
24 adjuster. He doesn't know or -- I don't think he's an
25 adjuster. And I generally don't rely on nonadjusters

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1 for policy and coverage information. That's why you're
2 compelled to go get it directly from the source.

3 In this case Reeves said he was going to get
4 information directly from Williamson, and that was
5 correct. He didn't do it. He said he was going to do
6 it, but he didn't do it. But that's why if there was a
7 -- and he did testify that he talked to the insurance
8 agents. And if there's a conflict there, then that's
9 why you need to preserve that evidence.

10 Q. In his December 20th letter to Pioneer Telephone
11 Services Mr. Reeves indicated it was a conflict of
12 interest to write your own lightning affidavit and
13 request a third party verification of the damages. Do
14 you recall that letter?

15 A. Yes.

16 Q. Did Mr. -- did Pioneer Telephone submit other
17 documentation following that letter?

18 A. Well, I was a little confused by that because the
19 lightning affidavit wasn't submitted -- what I call the
20 lightning affidavit wasn't submitted by Pioneer. It was
21 submitted by --

22 Q. Telcom Services?

23 A. Yes, Telcom. And I knew that there was some
24 relationship. I don't think it was -- I've ever saw it
25 completely developed. And so on the face of it -- on

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1 the face of it there was a lightning affidavit submitted
2 by Williamson, but there was also this other one, this
3 Telcom one. And on the face of it it didn't appear to
4 be a nonparty. So I think I've already testified that I
5 don't think you needed a lightning affidavit on an all
6 risk policy.

7 Q. Okay. And are you aware of anything that Mr.
8 Reeves did with the Telcom Services estimates and the
9 lightning affidavit?

10 A. Well, in his deposition he said he just put it in
11 the file. He disregarded it.

12 MR. PEARSON: Object to form.

13 THE WITNESS: Well, he said -- I'm sorry. He
14 said he saw it. I don't know that he disregarded it.
15 He just said he put it in the file.

16 MR. HALL: Okay. Thank you.

17 REDIRECT EXAMINATION

18 BY MR. PEARSON:

19 Q. Even in your own report, which has been marked as
20 Defendant's Exhibit 1, Mr. Dinsmore, you've stated that
21 you understand there are factual disputes existing in
22 this case, haven't you?

23 A. Yes.

24 MR. PEARSON: Okay. I don't have anything else.
25 Thank you.

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EXHIBIT "A"

Professional Resume

DONALD L. DINSMORE, JD, AIC, P&CCLA
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Career

2001 current: **Donald L. Dinsmore, JD, AIC, P&CCLA also d/b/a Dinsmore Consulting**

1998 - 2000 **Dinsmore Consulting Inc, Casselberry FL. and Decatur, GA:**
Positions: President – Consultant.

1997 - 1998: **Cardinal Insurance Services, Inc., Casselberry, FL.** Positions: Vice President & Senior Consultant.

1996 - 1997: **Douglas L. Grose, P.A., Tampa, FL.** Positions: Law Clerk and Attorney At Law.

1994 – 1996: **Stetson University College of Law, St. Petersburg, FL.** Position: Law Student

1984 - 1994: **United Services Automobile Association (USAA), Tampa, FL.** Positions: Casualty Claims Examiner, Large Loss Unit Manager, Hurricane Hugo Manager, Fraud and Arson Coordinator, Marine Claims Examiner.

1984: **The Lumbermens Mutual Insurance Co., Orlando, FL.** Position: Regional Property Claims Supervisor.

1983: **Preferred Risk Mutual Insurance Co., Altamonte Springs, FL.** Position: General Adjuster.

1982 - 1983: **Eddy Adjustment Co., Miami, FL.** Position: Independent Adjuster.

1978 - 1982: **Prudential of America Group, Miami, FL.** Position: District Agent.

1969 - 1978: **State Farm Group, Alexandria, VA, Greensboro, NC, and Miami, FL.** Positions: Field Claims Representative, Claims Specialist, and Special Disaster Supervisor.

Education

1965 - 1966: **Marquette University, Milwaukee, WI.**

1966 - 1969: **University of Florida, Gainesville, FL.** Degree: B.S.

1994 - 1996: **Stetson University College of Law, St. Petersburg, FL.** Degree: J.D.